

EXHIBIT 14

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2015
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File No. 001-7784



CENTURYLINK, INC.

(Exact name of registrant as specified in its charter)

Louisiana

(State or other jurisdiction of
incorporation or organization)

**100 CenturyLink Drive,
Monroe, Louisiana**

(Address of principal executive offices)

72-0651161

(I.R.S. Employer
Identification No.)

71203

(Zip Code)

(318) 388-9000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐
(Do not check if a smaller reporting
company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On October 30, 2015, there were 549,004,205 shares of common stock outstanding.

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* All references to "Notes" in this quarterly report refer to these Notes to Consolidated Financial Statements.

PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CENTURYLINK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
(Dollars in millions except per share amounts and shares in thousands)				
OPERATING REVENUES	\$ 4,554	4,514	13,424	13,593
OPERATING EXPENSES				
Cost of services and products (exclusive of depreciation and amortization)	1,993	1,975	5,863	5,872
Selling, general and administrative	857	823	2,571	2,497
Depreciation and amortization	1,048	1,097	3,136	3,297
Total operating expenses	3,898	3,895	11,570	11,666
OPERATING INCOME	656	619	1,854	1,927
OTHER (EXPENSE) INCOME				
Interest expense	(329)	(325)	(984)	(981)
Other income, net	2	5	16	7
Total other expense, net	(327)	(320)	(968)	(974)
INCOME BEFORE INCOME TAX EXPENSE	329	299	886	953
Income tax expense	124	111	346	369
NET INCOME	\$ 205	188	540	584
BASIC AND DILUTED EARNINGS PER COMMON SHARE				
BASIC	\$ 0.37	0.33	0.97	1.03
DILUTED	\$ 0.37	0.33	0.97	1.02
DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.54	0.54	1.62	1.62
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
BASIC	554,897	565,965	558,502	569,472
DILUTED	555,156	567,432	559,293	570,640

See accompanying notes to consolidated financial statements.

Segment Expenses

Business expenses decreased by \$8 million, or 1%, for the three months ended September 30, 2015 as compared to the three months ended September 30, 2014 and decreased by \$18 million, or less than 1%, for the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014. The decreases were due primarily to reductions in customer premises equipment costs resulting from the lower governmental and business sales noted above in segment revenues. Excluding lower customer premises equipment costs, business expenses increased by \$17 million for the three months ended September 30, 2015 as compared to the three months ended September 30, 2014. The increase is primarily due to increases in salaries and wages, benefits expense and external commissions, which were partially offset by decreases in network expense, professional fees and fleet expenses. Excluding lower customer premises equipment costs, business expenses increased by \$83 million for the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014. The increase is primarily due to increases in salaries and wages, benefits expense, external commissions and network expense, partially offset by reductions in professional fees and fleet expense.

Segment Income

Business income decreased by \$129 million, or 11%, for the three months ended September 30, 2015 as compared to the three months ended September 30, 2014 and decreased by \$326 million, or 9%, for the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014. The decreases in business segment income were due to the loss of customers and lower service volumes in our legacy services and to the increase in operating expenses, excluding the impact of the reduction in customer premises equipment costs.

Consumer Segment

The operations of our consumer segment have been impacted by several significant trends, including those described below:

- Strategic services.* In order to remain competitive and attract additional residential high-speed Internet subscribers, we believe it is important to continually increase our broadband network's scope and connection speeds. As a result, we continue to invest in our broadband network, which allows for the delivery of higher-speed broadband services to a greater number of customers. We compete in a maturing broadband market in which most consumers already have broadband services and growth rates in new subscribers have slowed. Moreover, as described further in Item 1A of Part II of this report, demand for our high-speed Internet services could be adversely affected by competitors continuing to provide services at higher average broadband speed than ours or expanding their advanced wireless data service offerings. We also continue to expand our other strategic product offerings, including facilities-based video services. The expansion of our facilities-based video service infrastructure requires us to incur substantial content and start-up expenses in advance of marketing and selling the service. Although, over time, we expect that our facilities-based video services will be profitable, our associated content costs continue to increase and the video business is growing increasingly competitive. We nonetheless believe these efforts to expand our offerings will ultimately improve our ability to compete and increase our strategic revenues. Price compression from these competitors has negatively impacted the operating margins of our strategic services and we expect this trend to continue. The demand for new technology has also increased the number of competitors offering similar services in the markets in which we compete for the strategic services. Operating costs also impact the operating margins of our strategic services, but to a lesser extent than price compression and customer disconnects caused by competition. These operating costs include sales commissions, modem costs, Prism TV programming expenses, software costs on selected services, installation costs and third-party facility costs. We believe increases in operating costs have generally had a greater impact on our operating margins of our strategic services as compared to our legacy services, principally because our strategic services rely more heavily upon the above listed costs;
- Legacy services.* Our voice revenues have been, and we expect they will continue to be, adversely affected by access line losses. Intense competition and product substitution continue to drive our access line losses. For example, many consumers are substituting cable and wireless voice services and electronic mail, texting and social networking non-voice services for traditional voice telecommunications services. We expect that these factors will continue to negatively impact our business. As a result of the expected loss of higher margin services associated with access lines, we continue to offer our customers service bundling and other product promotions to help mitigate this trend, as described below. Customer migration and price compression from competitive pressures have not only negatively impacted our legacy revenues, but they have also negatively impacted the operating margins of our legacy services and we expect this trend to continue. Operating costs, such as installation costs and third-party facility costs, have also negatively impacted the operating margins of our legacy services, but to a lesser extent than customer migration and price compression. The operating costs also tend to impact our strategic services to a greater extent than legacy services as noted above;

- *Service bundling and product promotions.* We offer our customers the ability to bundle multiple products and services. These customers can bundle local services with other services such as high-speed Internet, video, long-distance and wireless. While we believe our bundled service offerings can help retain customers, they also tend to lower our profit margins in the consumer segment; and
- *Operating efficiencies.* We continue to evaluate our segment operating structure and focus. This involves balancing our workforce in response to our workload requirements, productivity improvements and changes in industry, competitive, technological and regulatory conditions. We also expect our consumer segment to benefit indirectly from enhanced efficiencies in our company-wide network operations.

The following tables summarize the results of operations from our consumer segment:

	Consumer Segment			
	Three Months Ended September 30,		Increase / (Decrease)	% Change
	2015	2014		
	(Dollars in millions)			
Segment revenues:				
Strategic services				
High-speed Internet services (1)	658	616	42	7%
Other strategic services (2)	105	96	9	9%
Total strategic services revenues	763	712	51	7%
Legacy services				
Voice services (3)	664	707	(43)	(6)%
Other legacy services (4)	81	71	10	14%
Total legacy services revenues	745	778	(33)	(4)%
Data integration	1	1	-	-%
Total revenues	1,509	1,491	18	1%
Segment expenses:				
Total expenses	622	612	10	2%
Segment income	\$ 887	879	8	1%
Segment income margin percentage	59%	59%		

	Consumer Segment			
	Nine Months Ended September 30,		Increase / (Decrease)	% Change
	2015	2014		
	(Dollars in millions)			
Segment revenues:				
Strategic services				
High-speed Internet services (1)	1,945	1,847	98	5%
Other strategic services (2)	314	276	38	14%
Total strategic services revenues	2,259	2,123	136	6%
Legacy services				
Voice services (3)	2,027	2,170	(143)	(7)%
Other legacy services (4)	220	204	16	8%
Total legacy services revenues	2,247	2,374	(127)	(5)%
Data integration	2	3	(1)	(33)%
Total revenues	4,508	4,500	8	-%
Segment expenses:				
Total expenses	1,828	1,806	22	1%
Segment income	\$ 2,680	2,694	(14)	(1)%
Segment income margin percentage	59%	60%		

- (1) Includes high-speed Internet and related services revenue
- (2) Includes video and Verizon wireless revenue
- (3) Includes local and long-distance voice revenue
- (4) Includes switched access and other ancillary revenue

Segment Revenues

Consumer revenues increased by \$18 million, or 1%, for the three months ended September 30, 2015 as compared to the three months ended September 30, 2014 and increased by \$8 million, or less than 1%, for the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014. The increase in consumer revenues was primarily due to increases in strategic services revenues, which were substantially offset by declines in legacy services revenues. The increase in strategic services revenues was primarily due to increases in the number of high-speed Internet subscribers and increases in the number of our Prism TV customers, as well as from price increases on various services. The decline in legacy services revenues was primarily due to declines in local and long-distance service volumes associated with access line losses resulting from the reasons noted above.

Segment Expenses

Consumer expenses increased by \$10 million, or 2%, for the three months ended September 30, 2015 as compared to the three months ended September 30, 2014. The increase in consumer expenses was primarily due to increases in benefits expense and programming expenses for Prism TV content resulting from subscriber growth and content rate increases, which were partially offset by decreases in marketing and advertising and network expense. Consumer expenses increased by \$22 million, or 1%, for the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014. The increase in consumer expenses was primarily due to increases in programming expenses for Prism TV as noted above and bad debt expense, which were partially offset by decreases in salaries and wages, professional fees, fleet expense and facility costs.

Segment Income

Consumer income increased by \$8 million, or 1%, for the three months ended September 30, 2015 as compared to the three months ended September 30, 2014 primarily due to growth in high-speed Internet subscribers and price increases on various services. Consumer income decreased by \$14 million, or 1%, for the nine months ended September 30, 2015 as compared to the nine months ended September 30, 2014. The decline in consumer segment income was primarily driven by a proportionately greater loss of legacy services revenues for the nine-month period.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on November 5, 2015.

CENTURYLINK, INC.

/s/ DAVID D. COLE

By:

David D. Cole
Executive Vice President, Controller and Operations Support
(Chief Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Glen F. Post, III, Chief Executive Officer and President, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenturyLink, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2015

/s/ GLEN F. POST, III

Glen F. Post, III
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, R. Stewart Ewing, Jr., Executive Vice President, Chief Financial Officer and Assistant Secretary, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenturyLink, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2015

/s/ R. STEWART EWING, JR.

R. Stewart Ewing, Jr.
Executive Vice President, Chief
Financial Officer and Assistant
Secretary

Exhibit 32

Chief Executive Officer and Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned, acting in his capacity as the Chief Executive Officer or Chief Financial Officer of CenturyLink, Inc. ("CenturyLink"), certifies that, to his knowledge, the Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 of CenturyLink fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of CenturyLink as of the dates and for the periods covered by such report.

A signed original of this statement has been provided to CenturyLink and will be retained by CenturyLink and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 5, 2015

/s/ GLEN F. POST, III

Glen F. Post, III
Chief Executive Officer and
President

/s/ R. STEWART EWING, JR.

R. Stewart Ewing, Jr.
Executive Vice President, Chief
Financial Officer and Assistant
Secretary